

Message Text

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21

ACTION OS-03

INFO OCT-01 EA-11 ISO-00 CU-04 AID-20 /039 W

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P 310743Z MAY 74

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC PRIORITY 7075

AMEMBASSY BANGKOK PRIORITY

AMEMBASSY JAKARTA PRIORITY

AMEMBASSY SINGAPORE PRIORITY

AMEMBASSY TOKYO PRIORITY

UNCLAS KUALA LUMPUR 2543

EPT FOR A/OS AND EA/IMS

E.O. 11652: N/A

TAGS: ASCH, MY

SUBJECT: PRIVATE CONTRIBUTIONS TO OVERSEAS SCHOOLS

REF: A. STATE 68482; B. KL 1461 (NOTAL)

1. SUMMARY: REQUEST FOR INFORMATION ABOUT NATURE AND MAGNITUDE OF US BUSINESS CONTRIBUTIONS TO OPERATION AND BUILDING EXPENSES OF OVERSEAS SCHOOLS. END SUMMARY.

2. AFTER ENDURING FOR SEVEN YEARS IMPENDING EVICTION FROM ITS DECREPIT, GOM-OWNED PREMISES, KUALA LUMPUR INTERNATIONAL SCHOOL (ISKL) IN NOV 1973 GRANTED 99-YEAR LEASE BY SELANGOR STATE GOVT OF FIVE PLUS ACRES OF LAND ON WHICH TO BUILD NEW SCHOOL. LAST FALL SCHOOL CORPORATION, THROUGH ACCUMULATION OF ENTRANCE FEES, HAD FUNDS SUFFICIENT TO FINANCE MAJOR PORTION OF CONSTRUCTION, BUT SKYROCKETING COSTS OF MATERIALS HAVE REDUCED THIS TO LESS THAN ONE-THIRD. THEREFORE, IT NOW NECESSARY TO RAISE APPROXIMATELY THREE MILLION MALAYSIAN DOLLARS (US\$1,250,000). A/OS HAS INFORMED EMBASSY THAT US GOVT DIRECT FINANCIAL ASSISTANCE TO BUILDING PROGRAM NOT POSSIBLE SINCE NO AID OR LARGE MILITARY PROGRAM HERE. (USG HAS CONTRIBUTED REGULARLY TO OPERATING COSTS OF SCHOOL. CURRENT GRANT FOR PERIOD MAY 1974 THROUGH DEC 1975 TOTALS US\$34,000. THERE CURRENTLY ARE ABOUT 55 USG STUDENTS IN

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STUDENT BODY OF ABOUT 400.)

3. FINANCE COMMITTEE INFORMS US FAIR SHARE PROGRAM HAS RESULTED IN RELATIVELY SMALL DONATIONS FROM ONLY ABOUT FIVE OF FOREIGN FIRMS THAT SEND CHILDREN TO THE SCHOOL (THERE ARE OVER 90 SUCH FIRMS, MISSIONS AND ORGANIZATIONS IN ALL, BUT ONLY ONE, AN OIL COMPANY, HAS NEARLY AS MANY STUDENTS AS USG DOES). THEREFORE, COMMITTEE HAS NEGOTIATED WITH ONLY CURRENT POTENTIAL MAJOR DONOR, THE OIL COMPANY, WHICH IS ITSELF EXPECTING TO SUBSTANTIALLY INCREASE ITS OVERSEAS STAFF, FOR ADVANCE AT REDUCED RATE OF ENTRY FEES AMOUNTING TO ABOUT US\$150,000. THESE FEES, UNDER PROPOSED TERMS, COULD BE USED AT RATE OF 20PC PER YEAR OR AT ANYTIME WITHIN TEN YEARS. ADDITIONALLY, FEE CHARGED IS 20PC LESS THAN NON-PREPAID FEES. ACCORDING TO COMMITTEE, EVEN ASSUMING FEES DRAWN DOWN AS FAST AS POSSIBLE, COST OF MONEY TO SCHOOL WILL BE ABOUT OR SLIGHTLY MORE THAN 10PC INTEREST IT MUST NOW PAY FOR BANK LOAN (OF COURSE, IF PREPAID ENTRIES NOT USED, CONTRIBUTION WOULD BECOME A GRANT AFTER TEN YEARS). STUDENTS WHOSE ENTRY FEES PREPAID WOULD BE GIVEN PRIORITY FOR SCHOOL PLACES AFTER THOSE ALREADY ENROLLED (AND AFTER USG STUDENTS SO LONG AS US GRANT MAINTAINED).

4. BEFORE TERMS OUTLINED ABOVE FORMALLY ACCEPTED BY BOARD, EMBASSY DESIRES EXPLORE ALTERNATIVE MEANS OF RAISING FUNDS UTILIZED BY OTHER OVERSEAS SCHOOLS SINCE WE FEEL THAT IF USG WILLING IN EFFECT TO PROVIDE PURE GRANT (AS CONTRASTED WITH "PRE-PAYMENT") SUBJECT TO PROVISIO PLACES BE ASSURED ITS STUDENTS FIRMS SHOULD BE SIMILARLY INCLINED. WOULD APPRECIATE KNOWING SPECIFIC EXPERIENCE OF ADDRESSEE POSTS WITH FUND RAISING FROM NON-USG ORGANIZATIONS, PARTICULARLY IF OIL COMPANY PROPOSAL IS SIMILAR TO THOSE MADE AT OTHER POSTS. ALSO WOULD APPRECIATE A/OS INSIGHTS AND SUGGESTIONS RE THIS SUBJECT, INCLUDING WHETHER IT APPROPRIATE MAKE DEMARCHES TO US HEADQUARTERS OF FIRMS OPERATING IN KL AREA IN ORDER ENCOURAGE GREATER GENEROSITY ON PART LOCAL MANAGERS. FYI AMBASSADOR HAS OFFERED, SUBJECT TO ADVICE RECEIVED IN RESPONSE THIS MESSAGE, TO APPROACH HEADS OF DIPLOMATIC CORPS WHOSE MISSION CHILDREN ATTEND ISKL TO OBTAIN ASSISTANCE. THUS FAR ONLY CANADIAN HIGH COMMISSION HAS OFFERED UNSPECIFIED GIFT IN KIND UP TO EQUIVALENT US\$25,000. (THERE ARE 37 CANADIAN CHILDREN IN SCHOOL.) PLEASE CABLE INFORMATION AND COMMENTS AS FINANCE COMMITTEE UNDER GREAT PRESSURE TO CLOSE CURRENT NEGOTIATIONS AFTER UNCLASSIFIED

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WHICH MODEL FOR FUTURE CONTRIBUTIONS WILL HAVE BEEN SET.
UNDERHILL

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NNN

Message Attributes

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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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